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THE ONTARIO COMMITTEE, 1963, AND INVITED SUBMISSIONS.

Mr. H.R. Hanson, Secretary,
68 University Ave.,
Toronto 1, Ontario.

Subject: Reviewing the TAX and OTHER REVENUE SYSTEMS of the Province of Ontario, under the Public Enquiries Act.

This is a preliminary SUBMISSION from the identification noted below.

OBSERVATION:

The Committee and their personnel are to be compensated for any work and IDEAS submitted,- No remunerative consideration is considered with respect to any submissions.

ANALYTICAL COMMENT:

Taxation, in various forms, has been the financial basis of Government, in the economy and political governing of peoples for thousands of years. This fact is acknowledged but not further recognized, too often.

Reviewing bodies, such as appointed commissions, generally submit, for the publication of their report, a shuffled and hashed over conclusion from the many TAXATION devices employed by past and present political entities, from historic or present world political organizations.

HYPOTHESIS:

The presently constituted authority may be endeavouring to achieve:

(a) More TAX revenue.

(b) In nature of effect, less discriminitory TAX application or enforcement.

(c) Cost of collection, substantially reduced.

(d) Literal PENALTY TAXATION to be more effective, only for penalization.

(e) TAX disbursement to be more direct and economically and properly applied.

(f) TAX reasonableness with an encouragement of positive incentive toward individual initiative for economic personal betterment.

(g) TAX disbursement for government operation and education ONLY. (Not for other purposes, such as WELFARE).

(h) An elimination of any socialistic or totalitarian features prejudicing the orderly functioning to the taxation of any politically democratic entity.

Loss of tax revenue may be due to omission or neglect.

The down grading of assessments in old and run-down sections, (and to some extent in summer resort locations), loses potential TAX REVENUE and creates an unrealistic, property and rental, revenue TAX relationship proportion.

These may be a few of the many factors to be reviewed for re-consideration.

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THEORTM:

In a survey made some years ago, it was estimated that an incorporatedcompany with branches in each of the provinces and also foreign branches, located in Toronto, Ontario, there could be around 600 different TAXES affecting the corporation and its personnel.

Many duplications in factors in cost of collection, administrative responsibilities, effective application, and the disbursement of TAX FUNDS must be intensively examined so that drastic reduction in the EXPENSE savings may in turn be reflected in the tax amounts, for the benefit of the TAX PAYER.

The taxation fields must be re-assessed in the light of the interested government authourities vested in Canada as a whole, the Provinces, cities, counties, (All township governing bodies should be eliminated by transfer to county and larger responsibilities,) towns, districts or other incorporations.

Indirect and direct TAXES should be reviewed for the purpose of softening or removing the impact of duplication. This is important e.g. to personal residence properties.

Comparisons with Previous Periods should be studied re the increases in taxes from time to time. A look at a Provincial law, assented to on April 17th 1924, Chapt. 13, section 7, 14 George Vth. "Statement filed by owner" and Section 10, Chapt. 13, 14 Geo. Vth, "The collector shall --- notify --" What happens in that procedure problem and law to-day?

PROPOSITION:

It is evident from the experience in 1963 of the minister of Finance for Canada, when upon representations and political pressures he reworded portions of his budget, that, the people at large and corporations are requiring a modern TAXING policy applied in the light of modern economic conditions and standards of living. Or ELSE !

A commission report as required in the "terms of reference" can hardly be presented in a form which merely reflects a hashing over, and little evidence of basic new policies, improvements or original IDEAS.

For example, property assessments might be automatically examined at the change of ownership of property and realistic values of assessments established for the purpose of protecting a fair and reasonable TAX revenue.

The municipal property tax of a pensioner should remain static during the life time of the taxpayer. No residence property owner should lose his home because of an increase in his property taxes. A tax adjustment can be logically effected at the next change of ownership.

INCOME:

In a survey made some years ago, it was estimated that an incorporated company with branches in each of the provinces and also foreign branches, located in Toronto, Ontario, there could be around 500 different TAXES affecting the corporation and its personnel.

Many duplications in factors in cost of collection, conflicting responsibilities, effective application, and the abandonment of TAX PLANS must be intensively examined so that drastic reduction in the EXPENSE average may in turn be reflected in the tax amounts, for the benefit of the TAX PAYER.

The jurisdiction fields must be re-examined in the light of the interposed governmental machinery vested in Canada as a whole, the Provinces, cities, counties, (All somewhat overruling bodies should be eliminated by transfer to county and larger responsibilities,) towns, districts or other incorporations.

Taxation and direct TAXES should be reviewed for the purpose of adjusting or removing the impact of duplication. This is important e.g. to personal residence properties.

Comparisons with Provinces Foreign should be studied re the increases in taxes from time to time. A look at a Provincial Law, amended to 3d April 1934, Chapt. 19, section 7, 14 George VIth. "Assessment filed by owner" and Section 10, Chapt. 19, 14 Geo. VIth, "The collector shall ---- notify ---" Thus happens in that province problem and law to-day?

PROPOSITION:

It is evident from the experience in 1937 of the minister of Finance for Canada, when upon representations and political pressures he remedied portions of his budget, that the people at large and corporations are requiring a modern TAXING policy applied in the light of modern economic conditions and standards of living. Or MICE ?

A consolidation report as covered in the "Canon of reference" can hardly be presented in a form which merely reflects a handing over, and little evidence of basic new policies, improvements or original THINK.

For example, property assessments might be automatically examined as the change of ownership of property and realistic values of assessments established for the purpose of producing a fair and reasonable TAX revenue.

The municipal property tax of a purchaser should remain stable during the life time of the improvement. No residence property owner should lose his home because of an increase in his property taxes. A tax on business can be judicially effected at the next change of ownership.

GENERALIZATION AND REPEAL OF VARIOUS TAX ACTS IN SIMILAR SUBJECTS.

It would seem to be about time to review many of the TAX laws for the purpose of reducing their number and at the same time re-classifying and re-stating many details.

The general pre-amble of many laws is so similar that they need only to be classified as to intent. E.g. Animals: (genral introduction) and further information such as: wolves--bounty $-.- in territory??, Dogs licence: in municipalities, dog $-.- Bitch $-.- etc. Business licence: in municipalities: Beverage room: (A) basis $-.- (B) basis $-.- (C) bsis $-.- Pool Room: (A) Basis $-.- (B) basis $-.- etc. Bowling alley: (A) Basis $-.- (B) basis $-.- etc.

Clarification and simplification might be inducted, even if the law items were reduced by only 10%, by repealing and consolidating for modernization.

CONCLUSION:

This may be viewed as a matter of "mites and lice". However, in such an undertaking, a fine tooth comb procedure may be an apt adage.

The Provincial taxing authorities and revenue sources are set out in the B.A. Act. From this beginning it should be determined that the power of taxing is fully utilized. At the same time it should be confirmed that no unauthorized taxes are being imposed and collected.

The authorized sources of revenue should be reviewed so that their assessed value may be modernized.

The TAX COLLECTION equipment and personnel may be examined to verify that their efficiency and effectiveness produce a near maximum tax revenue.

There are taxes, licences, penalties and other revenues from Provincial Enterprises and Commissions to be modernly appraised.

Consideration should be directed through the whole taxing structure to determine whether there could be any merit and saving in "DECENTRALIZATION" of the "TAX COLLECTION" organization and authority. This is a matter of towns, counties, cities, districts, and perhaps other sectors collecting more of their own taxes. For one saving the Province would have to collect less taxes and the "VARIATION" in local tax requirements could mean a lower rate of taxes for smaller communities. There is an opinion that under present methods there is a certain feeling that the smaller communities are making TAX contributions to the larger centres without corresponding local benefit. This may be difficult to disprove.

Having, to some extent, blazed a trail of procedure, analysis, re-classification and new developements in the bases of "TAXING FOR REVENUE" the Commisston may be instrumental in achieving for the Province a program of "MODERNIZATION" in this field of Government.

Not knowing the "Terms of Reference", why write More?

32 Mount Royal Ave. HAMILTON. Ont. By Harold Bricker C.G.A., R.I.A., Retired
Harold Bricker C.G.A., R.I.A., Retired

Second Endeavour.

The Ontario Committee on Taxation,
Mr. R.H. Barron, Secretary,
68 University Ave.,
Toronto 1.

Dear Sirs:

Re: First submission.

May I thank you for your acknowledgement of my first submission and the information enclosed.

In this time I am offering, for consideration some new taxation fields, as follows: A.- It is high time that CO-OPERATIVES be examined for TAXATION contribution. My suggestion would be a 15% Provincial Tax on the undivided surplus created, by them, in their financial endeavours at the end of their financial period. (They will undoubtedly take action to evade this unless it can be, no any variation in their bookkeeping would determine the computation for TAX PURPOSES.)

B.- LARGE FARMS are getting to be BIG business and as such, they should contribute to taxation.- Provincial. Unions and Societies should be required to pay a Provincial Tax of 15% on their surplus funds at the end of their financial year. (This refers to business and social activities. It should by exempt welfare organizations.)

Although perhaps in the Taxation Field, consideration might be given to TRANSFERRING PROFITS, either domestically or to foreign account, a Provincial TAX of 15% appears be unreasonable.

By Donald Erickson, C.G.A., A.I.A., Retired

32 Mount Royal Avenue,
Hamilton, Ont.
September 23, 1963.